

September 8, 2011

President Barack Obama  
The White House

Dear Mr. President:

Like you, I believe that a core economic and national imperative is to implement policies that help America become independent from foreign energy. That is why I supported your efforts to promote the development and adoption of renewable energy technology. Promoting renewable energy technology and production serves as a means to declare independence from foreign oil; create new, good-paying jobs; and reduce the greenhouse gas emissions that contribute to global warming. I am convinced that our view of energy independence does not entail substituting America's reliance on Middle Eastern oil with a dependence on Chinese solar panels. Without strong enforcement of U.S. trade statutes, however, that is just what will happen.

Over the course of the last two years, I produced several reports that demonstrate how global markets for renewable energy technology are increasingly dominated by Chinese goods. Advanced producers – whether they are American, Japanese or European – are losing market share in almost every growing market to Chinese producers. Chinese imports of solar panels are surging and are on pace to increase 240 percent this year, compared to 2010. Furthermore, imports of Chinese solar panels increased 1,593-percent between 2006 and 2010. We need only look at the bankruptcies of major American innovators and producers of solar panels to see the material injury these imports appear to be inflicting on our domestic industry. Unless the U.S. takes aggressive action to combat the import surge of Chinese solar panels and the unfair trade practices that China employs, our efforts to facilitate the creation of the new jobs our economy needs will be substantially undermined.

Mr. President, U.S. trade laws provide your administration with ample tools to address unfair imports from China. The Department of Commerce has the authority to self-initiate an investigation into whether to apply anti-dumping and countervailing duties on Chinese imports of solar panels to remedy unfair practices. Second, as you know, pursuant to the conditions the U.S. placed in China's entry into the World Trade Organization, under section 421 of the Trade Act, the U.S. may impose tariff safeguards on surging Chinese imports that disrupt U.S. industry. You utilized this safeguard when you imposed temporary tariffs on Chinese tires. Furthermore, China's subsidization of solar panel production provides the grounds for your Trade Representative to pursue litigation at the World Trade Organization. I urge you to work with the domestic industry and to quickly use these authorities to prevent an industry from being decimated by unfair, foreign competition.

The American solar industry is facing unparalleled challenges and without the leadership of your administration this industry may disappear leaving behind additional workers without employment. Letting that happen is unacceptable. Please know that if your administration is unwilling to take the appropriate steps, with haste, I will advance a legislative effort, as provided by the U.S. trade remedy laws, to ensure that the American solar industry is not harmed by unfair trade.

I look forward to hearing from you and working together to address this critical issue and ensure that American producers are only asked to compete on a playing field that is level.

Sincerely,

Ron Wyden  
United States Senator